Program B: E. A. Conway Medical Center

Program Authorization: R.S. 46:811-818 and Act 3 of 1997

PROGRAM DESCRIPTION

The mission of the E. A. Conway Medical Center is to provide quality care equally to all citizens within safe environment. E.A. Conway Medical Center is committed to providing quality care equally to all citizens within a safe environment.

The goals of E. A. Conway Medical Center are:

1. Prevention: To provide health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: To integrate health delivery network with internal and external community partners.
3. Performance: To improve management information systems and fiscal accountability.

E.A. Conway Medical Center is Monroe is an acute care teaching facility with 187 available adult and pediatric beds. The hospital is affiliated with Louisiana State University Medical School in Shreveport, and licensed by the Department of Health and Hospitals. The hospital received a three-year accreditation by the Joint Commission of Healthcare Organizations in November 1996. Laboratory and Blood Bank operations are accredited by the College of American Pathologists and the American Association of Blood Banks.

The hospital first opened its doors in 1941, and moved into its present facility in 1987. The facility provides acute general medical and specialty services and critical care to the indigent, uninsured, Medicare, and Medicaid patients of the hospital's service area. The hospital also provides additional support functions such as pharmacy; blood bank; respiratory therapy; anesthesiology; and various diagnostic services and other support functions of a non-medical nature, such as administration; maintenance; housekeeping; mail service; purchasing; accounting; and admissions and registration. The facility also maintains a stipend program for medical residents and contracts for physician and anatomical services and works cooperatively with medical schools and other health education institutions to broaden the opportunity for clinical training in the hospital.

The facility provides inpatient and outpatient medical care to the residents of a 12-parish service area in Northeast Louisiana. The medical center service area is comprised of the parishes of Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll. Census data projections for 1996 estimated a service area population of 353,134. The average unemployment rate for the Region 8 Service Area is 14.7%. Families with incomes below the poverty level account for approximately 55% of the population.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To continue to provide professional, quality, acute general medical and specialty services to patients in the hospital and maintain the average length of stay of 5.5 days for patients admitted to the hospital.

Strategic Link: *This objective reflects the movement toward the achievement of the 1998-2002 Health Care Services Division (HCSD) Strategic Plan Goal 1: Implement initiatives to improve effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of staffed beds [1]	187	187	167 [2]	167 [2]	187	187
K	Average daily census [3]	Not applicable [4]	122	Not applicable [5]	119 [6]	117	117
K	Emergency department visits	47,686	41,767	70,179 [2]	70,179 [2]	37,174	37,174
S	Total outpatient encounters [1]	162,000	160,748	111,313 [2]	111,313 [2]	160,331	160,331
K	Percentage of gross revenue that is outpatient revenue (current year)	Not applicable [4]	36.77%	Not applicable [5]	35.51% [6]	34.70%	34.70%
S	Number of staff per patient	Not applicable [4]	6.81 [7]	Not applicable [5]	7.30 [7]	7.47 [7]	7.47
S	Average length of stay for inpatients	5.5 [4]	5.4	5.5	5.5	5.5	5.5
K	Cost per adjusted discharge [8]	Not applicable [4]	$4,599	$5,652	$5,652	$4,693 [9]	$4,693
K	Readmission rates	Not applicable [4]	Not available [7]	Not applicable [5]	Not available [7]	Not available [7]	Not available [7]
S	Patient satisfaction survey rating	Not applicable [4]	Not available [7]	Not applicable [5]	Not available [7]	Not available [7]	Not available [7]
K	Joint Commission on Accreditation of Healthcare Organizations and Hospitals (JCAHO) /Health Care Financing Administration (HCFA) accreditation score	Not applicable [4]	100%	96%	96%	100% [10]	100%
K	Salaries and benefits as a percent of total operating expenses [8]	Not applicable [4]	49.13%	51.62%	51.62%	50.68%	50.68%
S	Percentage change in gross outpatient revenue as a percent of total revenue	Not applicable [4]	-3.11%	Not applicable [5]	-3.43% [6]	-2.28%	-2.28%

[1] Staffed beds is consistent with the American Health Association's definition of available beds. Outpatient encounters equals outpatient visits plus emergency department visits.

[2] HCSD had earlier planned to absorb the FY 2000 $40 million budget shortfall entirely in inpatient days. The impact of such a course of action would have been a wholesale reduction in the number of staffed beds, reducing inpatient days, reducing clinic visits and increasing emergency department visits, because of loss of staff. Performance standards shown in the Executive Budget were adjusted in anticipation of this course of action. Since the standards adjustment occurred, HCSD offset $7 million of the losses with efficiencies and gave the medical centers the responsibility for developing contingency plans to allow them to decide how the cuts might best be made. As a result, the performance standards must be re-adjusted because inpatient days, outpatient encounters, and available (staffed) beds are set much too low, given the current situation and will either be impossible to meet or very easy.

[3] In order for average daily census to be meaningful, it must be understood in context. Actual daily census can be at or over 100 percent of staffed beds on some high-demand days, and additional beds (over the average daily census) have traditionally been kept available by all hospitals to deal with unanticipated demand.

[4] This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

[5] This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

[6] This Existing Operating Budget Level figure is an estimate and not a standard that appeared under Act 10 for FY 1999-2000.

[7] HCSD is working on providing this information and plans to submit an amendment to House Bill 1 to add this as a quality of care indicator.

[8] There is great diversity in the level and volume of service provided at medical centers. There is a cost differential inherent in the proportion of primary (non-emergent outpatient care) and secondary services (inpatient services) provided by a hospital. Tertiary services, such as the advanced trauma services provided at MCLNO, add another level of costs that need to be factored in the comparison. Whether a hospital provided medical education must also be considered. These factors impact the cost per adjusted discharge and the number of employees per adjusted discharge. Each hospital in the HCSD system should be compared to groups in the nation which are as closely similar as possible in order to get a sense of how well each hospital is functioning.

[9] Because the General Ledger staff have been diverted to implement PeopleSoft as quickly as possible, HCSD has been forced to discontinue the General Ledger accounting system for FY 2000 and probably most of FY 2001. HCSD will be unable, therefore, to provide actual "cost per adjusted discharge," but will be able to provide "operating expense per adjusted discharge" in La Pas reporting for those years. This figure will be technically different but substantively comparable to "cost per adjusted discharge."

[10] The change from a 96% compliance to 100% compliance reflects a change in calculations. The 100% level reflects a pass/fail approach to certification.

GENERAL PERFORMANCE INFORMATION:					
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Percentage of gross revenue that is outpatient revenue (prior year)	35.25%	32.58%	38.21%	40.55%	37.94%
HCIA National Standard for cost per adjusted discharge (median)	5,966	6,270	6,505	Not available [1]	Not available [1]
HCIA National Personal services (salaries & benefits) cost as a percent of operating cost (median)	50.28%	49.54%	49.17%	Not available [1]	Not available [1]

[1] The 2000 Sourcebook, which will contain standards for 1998, has been published, but has not yet been received by HCSD.

2. (KEY) To enroll at least one-third of the eligible diagnosed diabetic, asthmatic, HIV+ and high risk congestive heart failure patients in the Health Care Services Division (HCSD) system into disease management protocols.

Strategic Link: *Strategic Plan Goal 1: Implement initiatives to improve the effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

Explanatory Note: Eligible is defined as having the diagnosis and being compliant with the protocol; High risk congestive heart failure is characterized by admission to the hospital or emergency room with congestive heart failure in the past year.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Patients with covered diseases	Not applicable [1]	Not available [2]	Not applicable [3]	3,771 [4]	3,888 [5]	3,888
K	Eligible diagnosed patients enrolled	Not applicable [1]	Not available [2]	Not applicable [3]	943 [4]	1,296	1,296

[1] This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

[2] This is a new performance indicator to measure the new objective above. The HCSD (representatives of the medical and administrative sides of each medical center and the administrative office) is in the process of developing a new strategic plan which will more clearly reflect the core purposes and values of the Division. The focus expressed in the goals in the 1998-2002 (health care effectiveness with emphasis on preventive and primary care; integrated health delivery network with internal and external community partners; and improved management information systems and fiscal accountability) is unchanged, but emphasis in the objectives chosen has changed slightly.

[3] This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

[4] This indicator is critically important to measuring the system's success in implementing the disease management initiative. However, eligibility for the initiative is currently calculated differently by each medical center. An important part of the reason for the new strategic plan is to systematize the hospitals, so that comparisons and, therefore, improvements based on sharing information can occur. One step in this process is to agree on and implement a definition for eligibility for disease management. This will take place in the fiscal year and correct eligibility figures will be available for the next Operational Plan.

[5] The patients with covered diseases estimate is based on computerized patient billing records which provide an unduplicated count of patients with targeted diseases seen in the hospital in 1998. This is currently an underestimate of the actual prevalence of these disorders in the patient population because: a) only patients who have been diagnosed with the disorder are reflected; and b) billing records reflect the treatment provided - not the medical history of the patient.

3. (SUPPORTING) To assess and take steps to ameliorate over utilized or non-existent services in the E.A. Conway (EAC) catchment area.

Strategic Link: *This objective reflects the incremental movement toward the achievement of the 1998-2002 Health Care Services Division Strategic Plan Goal 2: To implement initiatives to improve coordination with other segments of the Louisiana health care delivery system.*

Explanatory Note: Catchment area is defined as the parishes from which the majority of the hospital's patients are drawn. These include Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Percentage completion of community needs assessment in the EAC catchment area	Not applicable [2]	0%	Not applicable [3]	0% [4]	100%	100%
S	Number of collaborative agreements signed with other health care providers [1]	Not applicable [2]	22	Not applicable [3]	23 [4]	24	24

[1] Collaborative agreements have been defined as contracts, cooperative endeavors, or affiliation agreements with health care providers (i.e., hospitals, physicians, nurses, allied health providers or agencies) or health-related entities (i.e., schools, state agencies) outside the HCSD system.

[2] This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

[3] This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

[4] This Existing Operating Budget Level figure is an estimate and not a standard.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	$0	$0	$0	$0	$0	$0
STATE GENERAL FUND BY:						
Interagency Transfers	48,661,423	48,655,212	48,655,212	50,759,720	48,511,586	(143,626)
Fees & Self-gen. Revenues	1,711,301	1,701,302	1,701,302	1,701,302	1,701,302	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	7,149,157	7,233,438	7,233,438	7,233,438	7,233,438	0
TOTAL MEANS OF FINANCING	**$57,521,881**	**$57,589,952**	**$57,589,952**	**$59,694,460**	**$57,446,326**	**($143,626)**
EXPENDITURES & REQUEST:						
Salaries	$24,184,204	$24,438,930	$24,438,930	$25,370,016	$24,346,285	($92,645)
Other Compensation	818,087	1,019,072	1,019,072	1,019,072	1,019,072	0
Related Benefits	3,963,682	3,482,688	3,482,688	3,610,711	3,713,180	230,492
Total Operating Expenses	16,726,456	16,951,579	16,951,579	17,417,784	16,357,855	(593,724)
Professional Services	269,348	280,721	280,721	290,371	283,287	2,566
Total Other Charges	10,814,726	10,852,962	10,852,962	11,410,706	11,150,847	297,885
Total Acq. & Major Repairs	745,378	564,000	564,000	575,800	575,800	11,800
TOTAL EXPENDITURES AND REQUEST	**$57,521,881**	**$57,589,952**	**$57,589,952**	**$59,694,460**	**$57,446,326**	**($143,626)**
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	891	891	891	861	(30)
Unclassified	0	0	0	0	0	0
TOTAL	0	891	891	891	861	**(30)**

A Supplementary Recommendation of $35.9 million, of which all is Uncompensated Care, is included in this program, including 700 positions. Funding is dependent upon renewal of the 3% suspension of the exemptions to the sales tax.

A supplementary recommendation of $3.6 million, of which $2.9 million is Uncompensated Care and $749,850 is claims from the Medically Needy Program, is included in the program. These items are contingent upon Revenue Sources in excess of the Official Revenue Estimating Conference Forecast subject to Legislative approval and recognition by the Revenue Estimating Conference.

SOURCE OF FUNDING

This program is funded with Interagency Transfers, Self-generated Revenue, and Federal Funds. The Interagency Transfers represent Title XIX reimbursement from the Medicaid Program for services provided to Medicaid eligible and "free care" patients. The Self-generated Revenue represents insurance and self pay revenues for services provided to patients who are not eligible for "free care". The Federal Funds are derived from Title XVIII, Medicare payments for services provided to Medicare eligible patients.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
$0	**$57,589,952**	**891**	**ACT 10 FISCAL YEAR 1999-2000**
			BA-7 TRANSACTIONS:
$0	$0	0	None
$0	**$57,589,952**	**891**	**EXISTING OPERATING BUDGET – December 3, 1999**
$0	$457,250	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
$0	$473,836	0	Classified State Employees Merit Increases for FY 2000-2001
$0	($879,978)	0	Risk Management Adjustment
$0	$575,800	0	Acquisitions & Major Repairs
$0	($564,000)	0	Non-Recurring Acquisitions & Major Repairs
$0	$339	0	Legislative Auditor Fees
$0	$802	0	UPS Fees
$0	($75,837)	0	Salary Base Adjustment
$0	($499,300)	0	Attrition Adjustment
$0	($329,136)	(30)	Personnel Reductions
$0	$13,953	0	Civil Service Fees
$0	$383,763	0	Other Adjustments - maintenance contracts on existing equipment
$0	$284,327	0	Other Adjustments - House Officer stipend increase to the Southern Regional Average
$0	$14,555	0	Other Adjustments - Increase transfer of Ryan White Federal Funds from OPH for HIV medications
$0	**$57,446,326**	**861**	**TOTAL RECOMMENDED**
$0	**($39,647,950)**	**(700)**	**LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS**
$0	**$17,798,376**	**161**	**BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001**
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
$0	$35,958,100	700	A supplementary recommendation of $35.9 million, of which all is Uncompensated Care, is included in the Total Recommended for E.A. Conway Medical Center, including 700 positions
$0	**$35,958,100**	**700**	**TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL**

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
$0	$3,689,850	0	A supplementary recommendation of $3.6 million, of which $2.9 is Uncompensated Care and $749,850 is claims from the Medically Needy Program, is included in the Total Recommendation for E.A. Conway Medical Center
$0	**$3,689,850**	**0**	**TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE**
$0	**$57,446,326**	**861**	**GRAND TOTAL RECOMMENDED**

The total means of financing for this program is recommended at 99.7% of the existing operating budget. It represents 80.7% of the total request ($71,107,586) for this program. The decrease reflected above is a result of a reduction of risk management premiums. This overall reduction is offset by increases in maintenance contracts on existing equipment, the transfer of Ryan White Federal Funds from the Office of Public Health for HIV medications, and a 6% House Officer stipend increase. The overall decrease will have no significant impact on the delivery of services.

PROFESSIONAL SERVICES

$191,099	Radiology Consultants for radiology services and consultation
$10,000	S. Longo and Associates for Joint Commission on the Accreditation of Healthcare Organizations consultations
$12,576	Arthritis Clinic for rheumatology services
$43,683	Oschner Medical Institutions for opthalmology services
$11,136	Various ministers for chaplain services
$14,793	Westaff for temporary employment services
$283,287	**TOTAL PROFESSIONAL SERVICES**

OTHER CHARGES

$18,054	Legislative Auditor Fees
$18,054	**SUB-TOTAL OTHER CHARGES**
	Interagency Transfers:
$2,509,398	Payments to LSU Medical Center for faculty staff for resident supervision and physician services
$5,109,186	Payments to LSU Medical Center for house officer salaries and medical staff
$947,491	Payments to LSU Medical Center for emergency room physician services
$139,122	Payments to LSU Medical Center for data processing services
$405,462	Payments to LSU Medical Center for computer services
$89,285	Payments to the Department of Civil Service
$6,412	Payments for the Comprehensive Public Training Program
$26,437	Payments for Uniform Payroll System expenses
$1,900,000	Payments to the Office of Mental Health for operation and management of the acute psychiatric inpatient unit
$11,132,793	**SUB-TOTAL INTERAGENCY TRANSFERS**
$11,150,847	**TOTAL OTHER CHARGES**

ACQUISITIONS AND MAJOR REPAIRS

$575,800 Funding for replacement of inoperable and obsolete equipment

$575,800 TOTAL ACQUISITIONS AND MAJOR REPAIRS